

Message Text

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43

ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00

INRE-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01 TRSE-00

SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 L-03 H-02

PA-01 PRS-01 /088 W

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O R 291600Z JAN 76

FM AMEMBASSY ROME

TO SECSTATE WASHDC IMMEDIATE 5432

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

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PASS TREASURY AND FRB

E.O. 11652: N/A

TAGS: EFIN, IT

SUBJECT: ITALIAN EXCHANGE MARKET DEVELOPMENTS

1. DR. GERONSI, HEAD OF EXCHANGE OPERATIONS AT THE BANK OF ITALY, TOLD TREASATT JANUARY 29 THAT LIRA/DOLLAR FIXING IN FRANKFURT WAS 741.77. HE DESCRIBED ITALIAN EXCHANGE MARKET AS FRENETIC AND SAID THAT LIRA HAD GENERALLY
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WEAKENED ACROSS THE BOARD. THERE WAS HEAVIER VOLUME

OF TRADING THEN IN RECENT DAYS OF APPROXIMATELY \$50 TO \$60 MILLION, COMPARED TO \$60 TO \$70 MILLION CONSIDERED NORMAL PRIOR TO BANK OF ITALY WITHDRAWAL FROM MARKET. THERE WAS CONSIDERABLE DEMAND FROM IMPORTERS, INCLUDING SOME LARGE IMPORTERS, SO THAT DEMAND TENDED TO BE ONE WAY. BY LATE AFTERNOON LIRA WEAKENED FURTHER TO AROUND 744 LIRE PER DOLLAR.

2. BOI CALCULATION OF DEVALUATION OF LIRA SINCE FEBRUARY 1973 (BASED ON FRANKFURT EXCHANGE RATES) SHOWED DEPRECIATION AGAINST ALL CURRENCIES OF 26.81 PERCENT, AGAINST DOLLAR OF 21.68 PERCENT AND AGAINST EC CURRENCIES OF 30.75 PERCENT. VOLPE

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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
Concepts: DOLLAR, LIRA, FOREIGN EXCHANGE RATES
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Copy: SINGLE
Draft Date: 29 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Margaret P. Grafeld
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EO Systematic Review
04 MAY 2006

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TAGS: EFIN, IT, US
To: STATE
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